# HAEMONETICS®

*The* Blood Management Company

# Frequently Asked Questions

**Acquisition of SEBRA's Biological Collection and Processing Product Line**

**How is SEBRA's Biological Collection and Processing Product Line a strategic fit for Haemonetics?**

Haemonetics helps hospitals and blood banks improve patient care and lower costs by optimizing the management and use of scarce blood resources. Our broad offering includes blood collecting and separation technologies, autotransfusion systems that clean and return patients' own shed blood, information management platforms, and consulting services that audit and improve blood management practices.

SEBRA's products include tubing sealers, blood shakers, sterile connection systems, and mobile lounges and ancillary products used in blood collection and processing. Each device has unique benefits to blood and plasma collectors, and combined they offer a blood processing solution that supports high quality, regulatory compliance, and reduced costs.

The SEBRA products complement Haemonetics' portfolio and add even greater depth to Haemonetics Blood Bank and Plasma product lines. Haemonetics can market the products through its existing sales force and strengthen the products' market position through its blood management solutions sales strategy. Additionally, the SEBRA products give Haemonetics entry into the whole blood collection market, an important strategic position as the Company prepares to enter this market with an automated whole blood collection system in early calendar 2011.

**What products do SEBRA's Biological Collection and Processing Division market?**

The Biological Collection and Processing Division markets a suite of products used in blood component collection and processing which can improve quality and regulatory compliance of blood products. The Division's principal products include:

1. Radio-frequency Tube Sealers and Sterile Connection Systems – Tubing sealers and sterile connection systems are used to seal and disconnect parts of the consumables used in blood collection, while maintaining a sterile environment for the collected blood. Sterility is critical in ensuring the highest quality blood component for transfusion.
2. Whole Blood Shaker Devices – Shaker devices shake blood units throughout the donation to facilitate proper mixing of an anticoagulant, included in the blood bag, and the donated blood. Proper mixing of anticoagulant and blood ensures that the red cells won't clot. (Red cell clotting is one reason for blood discards.) SEBRA's shaker devices are combined with weighers which also monitor the weight of the unit to reduce the number or overweight and underweight units.
3. Mobile Collection and Ancillary products – Mobile blood collection lounge chairs, mobile supply cases, and other products used in blood collection.

**How are the products used today?**

*Sealers*

For every collection of whole blood or a blood component (including commercial plasma units), there is a need to seal tubing in a sterile and quick fashion for a variety of reasons: 1) disconnect the collection bag from the rest of the collection kit; 2) disconnect sample bags from the collection kit and 3) in whole blood collection, separate component bags after centrifugation in the laboratory. The sealers that are used on the collection floor, whether mobile or fixed site, are portable and battery operated. The sealers used in the processing lab are designed for higher volume, bench-top use.

*Weighers*

A scale ("weigher") is always used in the collection of whole blood to determine when the 450ml or 500ml collection is complete. Some weighers also include a clamp mechanism to stop flow when the desired collection volume has been reached. These devices are known as trip-scales or blood weight monitors.

*Shakers*

In addition to meeting strict volume requirements, all blood must be mixed with anticoagulant to ensure that the red cells don't clot. Today, anticoagulant is integrated as part of the blood collection set (rather than having to be added at the blood center). Although the anticoagulant is in the bag during the collection process, it depends on manual mixing (rolling the bag back-and-forth in the staff member's hands) in order to properly mix the red cells and anticoagulant together during and after the donation. The result of not mixing properly is clotting and clogged filters as the red cells are drained through Leukocyte reduction filters. In many cases, those units are thrown away. "Shakers" automate the process of rocking the blood to mix the blood and anticoagulant. These shakers also monitor the unit being collected to reduce overweight units and underweight units.

**What is SEBRA's financial profile and what is the financial impact on Haemonetics?**

SEBRA's Biological Collection and Processing Division has approximately $10 million in annual sales. Revenues have a ten year compounded annual growth rate of over 9%. Haemonetics does not break out specific product line margins, but gross and operating margin for the SEBRA product line are accretive to Haemonetics' corporate margins. The acquisition is neutral to Haemonetics' earnings per share in fiscal 2010 and accretive thereafter. Haemonetics will report revenues from the SEBRA products in its Equipment product line.

**What is included in the asset purchase?**

With the asset purchase, Haemonetics will acquire the suite of SEBRA product lines sold to the blood and plasma collection and processing markets. Assets also include intellectual property, customer contracts, supplier contracts, distribution contracts, tooling, inventory, brand, and the employment of key contributors.

**What is size of SEBRA's markets?**

The market size is approximately $35 million, and SEBRA has more than 30% market share.

**Who is the customer for these products?**

SEBRA devices are sold primarily to blood banks, plasma collectors, and hospital-based laboratories. Existing customers include the American Red Cross, United Blood Services, and Canadian Blood Services.

**How will the products be sold?**

The products will be sold primarily by Haemonetics' sales force and its global distributors. In a few instances, Haemonetics will retain legacy distribution relationships from SEBRA.

**Who are the competitors for these products?**

In the sealer market, SEBRA competes against Genesis BPS and Fresenius. In the weigher and shaker market, SEBRA competes against Genesis BPS, Fresenius, Hemoflow, and Moeller.

**What is the background of the Company?**
A pioneer in radio frequency technology, SEBRA patented the first hand held plastic tube sealer over 25 years ago and continues to be one of the world's leaders in new technology for sealing and welding plastic.

SEBRA is now a global company dedicated to the development of innovative technology and quality products for the transfusion medicine, biopharmaceutical and medical manufacturing industries. SEBRA serves over 1,000 customers in blood banks, commercial plasma centers, stem-cell processing facilities, hospitals, cellular therapy plants, biopharmaceutical companies and catheter manufacturers. It works with more than 30 global partners to distribute equipment that improve product quality, process reliability, and production output. It is ISO 13485:2003 certified and FDA registered.